

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
SAN FERNANDO REDEVELOPMENT AGENCY**

MEMORANDUM

TO: Chairperson Judith N. Frank and Oversight Board Members

FROM: Don Penman, Interim City Administrator
By: Rafaela King, Interim Finance Director

DATE: June 13, 2013

SUBJECT: Update Regarding Successor Agency Dispute with the Department of Finance over the City's Retirement Tax Override Distribution

On April 14, 2013 the Department of Finance (after reviewing ROPS 13-14A schedules for the period of July 1, 2013 – December 31, 2013, sent the Successor Agency to the San Fernando Redevelopment Agency its determination letter for ROPS 13-14A, outlining items that did not qualify as enforceable obligations (Attachment B).

In summary, the Department of Finance (DOF) did not approve the following:

- Item No. 20 – Outstanding Obligations to the City related to adjustments for Historical Retirement Tax Override Levies for \$492,348
- Item No. 21 – Retirement Tax Override for \$746,194

Retirement Tax Override payments continue to be disallowed by DOF. The City and Successor Agency continue to disagree with the DOF's determination that item No. 20 and Item No. 21 are not enforceable obligations as established by the citizen's passed Tax measure in 1946.

At this time the City is working with the Attorneys to explore all possible remedies, including but not limited to filing a writ against the DOF. As of the writing of this report, the writ was being prepared by the City Attorney's office. Successor Agency staff will provide the Oversight Board with an update on this matter and any possible resolution with DOF at a subsequent meeting.